

A red tractor is parked in a field with autumn trees in the background. The scene is bathed in warm, golden light, suggesting a sunset or sunrise. The tractor is positioned in the middle ground, slightly to the right. The trees in the background have vibrant orange and yellow foliage. The overall atmosphere is peaceful and rural.

Advanced Broadband Comes To Rural America

Wes Rosenbalm
President and CEO
Bristol Virginia Utilities

A satellite map of the United States with white outlines for each state. The map shows the geographical context of the text.

**Where in the World
is Bristol Virginia?**

In the eastern United States of America

Where in the World is Bristol Virginia?

In the Southern Appalachian Mountains

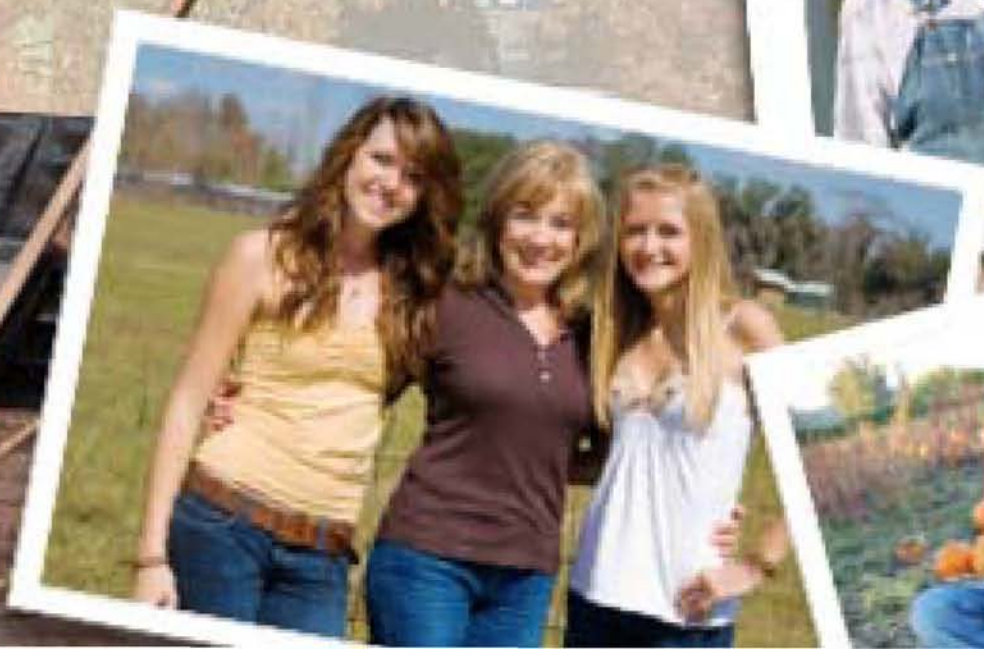
Where in the World is Bristol Virginia?



**A small historic city bordering the
states of Virginia & Tennessee**

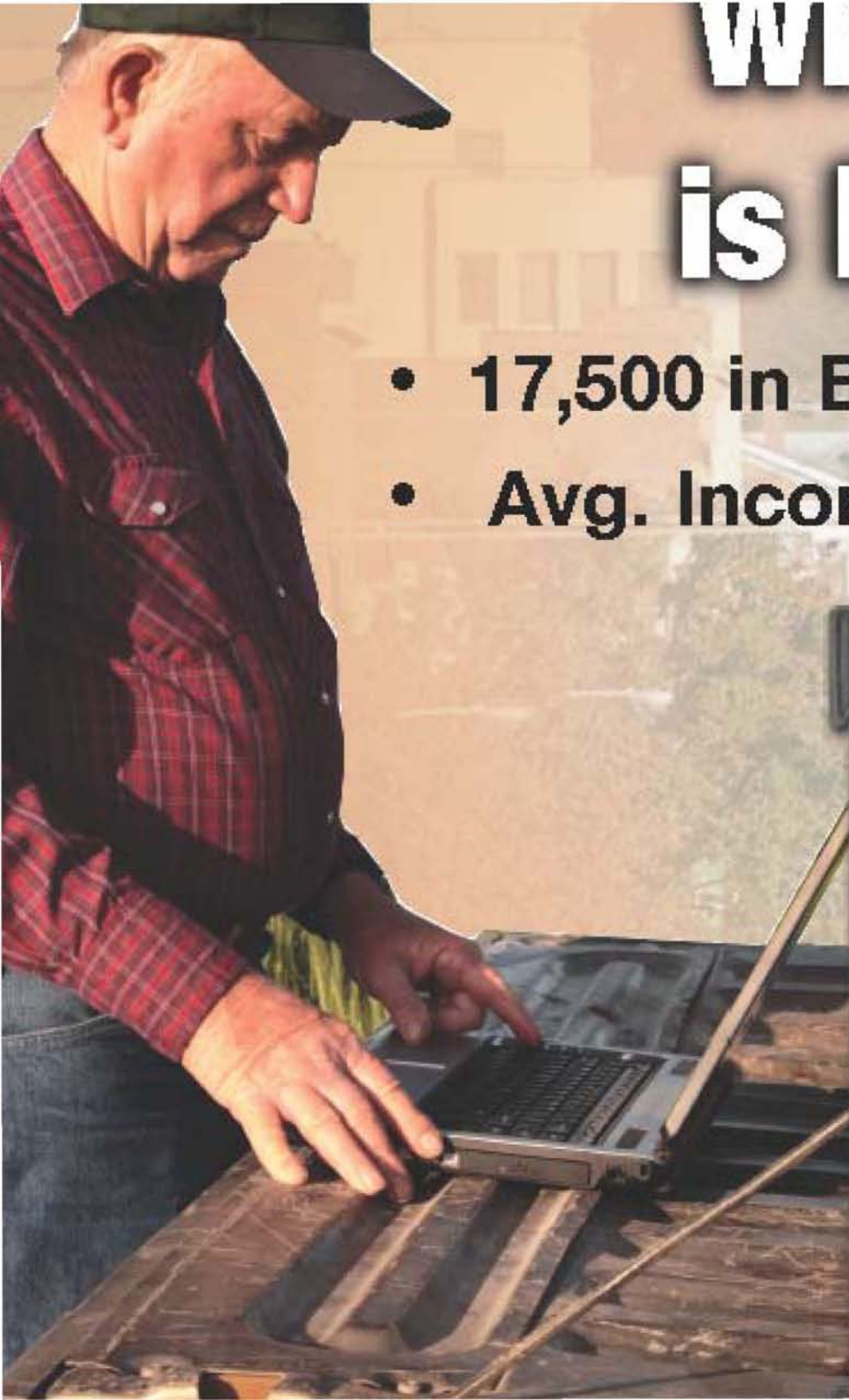
What in the World is Bristol Virginia?

- **Hard-working, prideful
mountain people**



What in the world is Bristol Virginia?

- 17,500 in Bristol Virginia
- Avg. Income - \$20,098



What in the world is Bristol Virginia?

- **Economic Staples – Coal, Tobacco**



What is Bristol Virginia known for

MUSIC AND MOTORSPORTS



**Birthplace of
Country Music**

**“World’s Fastest Half-Mile
160,000-seat NASCAR
raceway**



Economic Woes for Mountainous Virginia

**2000-2008 - Coal production
declined annually by 5-10%**



**Since 1990 – Tobacco
production has
declined by 67%**

Reasons to Leave Home

Young people leave mountainous Virginia for jobs elsewhere

Unemployment rate in region climbs to near highest in state

Peaked at
6.4% in 2002 5.5% in 2000

A SPARK OF HOPE



Broadband is Born in Bristol

999 - Bristol Virginia Utilities begins t

THINK BIG!

Need: Improve communications at Bristol's 8 electric substations

Answer: Build advanced fiber-optic network

The Vision Expands

2000 - BVU's new broadband network connects city schools and government offices

**Investment in a fiber-to-the-user network position
Bristol for future advancements in digital technology**



Will Advanced Broadband

Really Work in Bristol?

- 2001 - Engineering firm determines fiber network cost
- Survey determines customer interest
- Business plans determine feasibility



VO's "Culture of Use" Mission

Enhance economic development
in rural mountainous Virginia

Improve quality of life
offer broadband access at
affordable, stable prices



BVU's Uphill Battle

02 - Major Obstacles Encountered

Virginia law barred
municipalities from
offering telecom
services



02 - Major Obstacles Encountered

- **BVU sued State to overturn law**



02 - Major Obstacles Encountered

- **General Assembly reversed state law**



02 - Major Obstacles Encountered

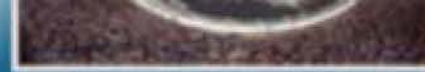
**Bristol cable incumbent
brought injunction to stop
BVU cable services**





**Virginia legislature allows
municipalities to provide
cable services!**

More Obstacles Loomed in 2003



- **Incumbent phone company accuses BVU of cross-subsidizing phone service**





- **BVU testifies before Virginia State Corporation Commission**





- Commission rules against complaint



Three years of hard-fought
court battles and **\$2.5 million**
in legal fees later ...



... **BVU** becomes the first
municipal utility in the
United States to deploy
fiber-to-the-user network
offering **triple play of
phone, cable and
data services!**

BVU's Aggressive Marketing Campaign

- BVU – a familiar name; a reliable electricity provider for 60 years
- Customer installs exceed projections
- Advanced entertainment services are added



BVU's Aggressive Marketing Campaign

- OptiNet saved customers more than \$10 million based on competitors' rates and deals
- OptiNet had captured almost 65% of Bris market in 5 years!



Was It Possible to Share BVU's Fiber With Neighbors?

**Neighboring rural coal counties had inadequate
Internet & broadband services**

**BVU's broadband network could reach out to other
needy communities**

**Federal and tobacco funding sources enable
partnerships to happen**

A “new” OptiNet is born 2003 - 2007



**Bvu OptiNet partners with Cumberland Plateau
Company - creates CPC OptiNet**

**200-mile fiber expansion in four neighboring
coal counties**

\$17 million in grants and matches

Benefits of CPC Optinet

**Passes 1,800 potential business customers,
nine industrial parks**

**Provides phone, broadband to government offices,
schools, hospitals**

**Attracts major technology companies - CGI,
Northrop Grumman**

**Region now championed by state and national leaders
as the “broadband gateway to Southwest Virginia”**

CPC



ntiN

Broadband build-outs in Southwest Virginia bring 1,220 jobs to “coal-producing counties, with more than \$50 million in new private investment and \$37 million in annual payrolls.”

– Sept. 25, 2007, Kingsport Times-News



BVU / City of Bristol Collaborative Ventures



ACCESSBRISTOL

BRISTOL VIRGINIA OFFICE OF ECONOMIC DEVELOPMENT

– promotes Bristol Virginia

high-tech for new businesses

“how-did-you-do-it” calls from around the world

BVU

BVU creates **FOCUS** to help other
municipalities develop broadband solutions for
their communities



Gets its First Customer

Aging cable, Internet system

Purchased by three North Carolina towns

Renamed



OptiNet manages the system

5% customer growth in 2008

Exceeded revenue projection by 27%



A hard-Earned victory



- **Business growth potential is unlimited for mountainous Virginia**

- **Quality of life has improved dramatically**

- **Since 2003 BVU's total revenues have increased by 50%**

BVU OptiNet's Impact – Far-Reaching!

- Our network extends 800 miles
- Throughout eight rural Virginia counties
- To improve quality of life for more than 250,000 people



Receives Lofty Recognition

**2008 Virginia Governor's
Technology Award in
Cross-Boundary
Collaboration**

**Governor's
Technology
Award**

COVITS2008

GOVERNMENT TECHNOLOGY
SOLUTIONS FOR STATE AND LOCAL GOVERNMENT IN THE INFORMATION AGE

CENTER FOR
DIGITAL
GOVERNMENT



Receives Lofty Recognition

**2008 Gold Award for
Municipal Excellence –
National League of Cities**



Receives Lofty Recognition

**2009 Top 7 Finalist for
Intelligent Community of
the Year**





Thank You!

